

MM 96-173

PEPPER & CORAZZINI  
L. L. P.

ATTORNEYS AT LAW  
200 MONTGOMERY BUILDING  
1776 K STREET, NORTHWEST  
WASHINGTON, D. C. 20006  
(202) 296-0600

ROBERT LEWIS THOMPSON  
GREGG P. SKALL  
E. THEODORE MALLYCK  
OF COUNSEL  
FREDERICK W. FORD  
1909-1986  
TELECOPIER (202) 296-5572  
INTERNET PEPCOR@COMMLAW.COM

VINCENT A. PEPPER  
ROBERT F. CORAZZINI  
PETER GUTMANN  
JOHN F. GARZIGLIA  
NEAL J. FRIEDMAN  
ELLEN S. MANDELL  
HOWARD J. BARR  
LOUISE CYBULSKI \*  
L. CHARLES KELLER \*  
MICHAEL J. LEHMKUHL \*  
\* NOT ADMITTED IN D.C.

February 16, 1995

Federal Communications Commission  
P.O. Box 358350  
Pittsburgh, PA 15251-5350

RE: Fee Code (MPR) - \$650.00 Check Enclosed  
Application for Assignment of the License to  
KIOX(AM) - Bay City, TX

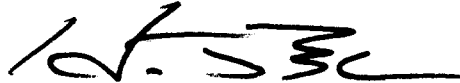
Dear Sir/Madam:

Transmitted herewith on behalf of Landrum Enterprises, Inc., is an original and two (2) copies of an application on FCC Form 314 for the assignment of the above-referenced license from Landrum Enterprises, Inc., to Chameleon Radio Corporation.

Also enclosed is a check in the amount of \$650.00 in payment of the required filing fee.

Should any questions arise in connection with this matter, kindly communicate directly with the undersigned.

Respectfully submitted,



Howard J. Barr  
Counsel to Landrum Enterprises, Inc.

Enclosures

AUDIO SERVICES  
DIVISION  
AM BRANCH

VINCENT A. PEPPER  
ROBERT F. CORAZZINI  
PETER GUTMANN  
JOHN F. GARZIGLIA  
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FREDERICK W. FORD

1909-1986

TELEPHONE (202) 296-5572

INTERNET: PEPPER@COMMLAW.COM

FEB 3 10 00 AM '95

FEB 6 1 12 PM '95

RECEIVED

February 2, 1995

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FEB - 2 1995

Mr. William F. Caton  
Acting Secretary  
Federal Communications Commission  
1919 M Street, N.W.  
Washington, D.C. 20554

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF SECRETARY

Dear Mr. Caton:


Please be advised that the pro forma assignment of the license to KIOX(AM), Bay City, Texas, from North Star Communications to Landrum Enterprises, Inc. has been consummated. The address for Landrum Enterprises is P.O. Box 22738, Houston, Texas 77277-2738.

Should any questions arise in connection with this matter, kindly communicate directly with the undersigned.

Respectfully submitted,



Howard J. Barr



MM 96-173

AUDIO SERVICES  
DIVISION  
AM 8  
PEPPER & CORAZZINI  
L. L. P.

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SUZANNE C. SPINK \*  
\* NOT ADMITTED IN D.C.

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MAY 12 3 14 PM '95

May 11, 1995

RECEIVED

MAY 11 1995

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF SECRETARY

**BY HAND**

Mr. William F. Caton  
Acting Secretary  
Federal Communications Commission  
1919 M Street, NW Room 222  
Washington, D.C. 20554

**Re: KIOX (AM); FCC File No. BAL-950216EA**

Dear Mr. Caton:

Please be advised that the assignment of the license, referenced above, from Landrum Enterprises, Inc., Houston, Texas, to Chameleon Radio Corporation, has been consummated. The address for Chameleon Radio Corporation is 10865 Rockley Road, Houston, Texas 77099.

Should any questions arise concerning this matter, please contact the undersigned.

Sincerely,

*Michael J. Lehmkuhl*  
Michael J. Lehmkuhl

1  
XFC

AM BRANCH

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# The State of Texas

**SECRETARY OF STATE**

**CERTIFICATE OF INCORPORATION  
OF  
LANDRUM ENTERPRISES, INC.  
CHARTER NUMBER 1333915**

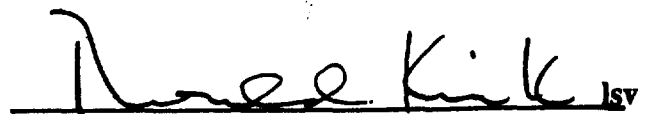
The undersigned, as Secretary of State of Texas, hereby certifies that the attached Articles of Incorporation for the above named corporation have been received in this office and are found to conform to law.

ACCORDINGLY, the undersigned, as Secretary of State, and by virtue of the authority vested in the Secretary by law, hereby issues this Certificate of Incorporation.

Issuance of this Certificate of Incorporation does not authorize the use of a corporate name in this state in violation of the rights of another under the federal Trademark Act of 1946, the Texas trademark law, the Assumed Business or Professional Name Act, or the common law.

Dated: November 18, 1994  
Effective November 18, 1994



  
Secretary of State

MM 96-173

**FEDERAL COMMUNICATIONS COMMISSION**

WASHINGTON, D.C. 20554

**DEC 15 1994**

**IN REPLY REFER TO:  
8910 NDJ**

LANDRUM ENTERPRISES, INC.  
P.O. BOX 22738  
HOUSTON, TX 77277-2738

Call Letters: KIOX(AM)/KIOX(FM)  
Date Granted: **DEC 12 1994**  
FileNumber(s): BAL-941118EA/BALH-941118EB

**NOTICE TO ASSIGNEE:**

Enclosed is FCC Form 732 notifying you of the Commission consent to the assignment of the construction permit and/or license of the station(s) therein described. Voluntary assignments are required to be completed within sixty (60) days of the date granted.

In addition to filing of the below mentioned FCC Form 323, you are required to immediately notify the AM Branch (8910), by letter, as to the exact date of the consummation; that is, the date on which the acts necessary to effect the assignment were completed. If you are unable to consummate the transaction within the prescribed sixty (60) day period, you are required to contact the AM Branch and request an extension of time to effectuate the consummation; if you decide not to consummate the transaction, you must also notify the AM Branch of this decision immediately. In addition, you must inform the AM Branch if the station(s) involved were silent prior to consummation and are resuming broadcasting after the consummation or if the station will remain silent for a period after consummation.

Within thirty (30) days after the consummation of the assignment it will be necessary for you to submit an Ownership Report (FCC Form 323) reporting all changes as required by Section 73.3615 of the Rules. Where applicable, a separate Ownership Report should also be completed and submitted for any holding company (25% or greater ownership interest) of the licensee/permittee. Contractual information required by Section 73.3613 should be reported for the assignee in Item 6, page one of the Ownership Report and copies of each instrument should be submitted with the report. If this is an involuntary assignment that was a result of a death or court action, an Ownership Report must be filed to determine that all requirements of the Rules have been met and reported.

In the event the assignee is the licensee/permittee of another station and has a current Ownership Report on file, you may complete and file only page one of FCC Form 323 to reflect the acquisition of the station(s) listed above. FCC Form 323 is enclosed for your convenience in filing.

It is of the utmost importance that all Commission correspondence comes to the immediate attention of the permittee or licensee. Only one mailing address can be maintained for each station. Unless we hear from you to the contrary, the above address will be used as your permanent mailing address.

If the assignor has any applications pending before the Commission, these applications must be amended to reflect the name of the assignee. Upon consummation of the assignment, amendments to each application must be filed by the assignee, in triplicate, signed by the proper party (see Section 73.3513 of the Rules). Further processing of these applications will be withheld pending receipt of the amendment.

Enclosures

cc: Ownership

UNITED STATES OF AMERICA  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554

File No(s): BAL-941118EA  
BALH-941118EB

Class of station(s): AM/FM

<input checked="" type="checkbox"/> CONSENT TO ASSIGNMENT:  <input type="checkbox"/> CONSENT TO TRANSFER CONTROL:  <input type="checkbox"/> CONSENT TO TRANSFER STOCK:  Whereby of Control by is effected.	FROM:  NORTH STAR COMMUNICATIONS, INC.
	TO:  LANDRUM ENTERPRISES, INC.
Licensee/Permittee: (for transfer only)	

CALL SIGN(S)

STATION LOCATION(S)

AUXILIARY STATION(S) (for assignment only)

KIOX (AM)

BAY CITY, TX

KIOX-FM

EL CAMPO, TX

ALL CURRENTLY AUTHORIZED  
AUXILIARY SERVICES

Under authority of the Communications Act of 1934, as amended, the consent of the Federal Communications Commission is hereby granted to the transaction indicated above.

The Commission's consent to the above is based on the representations made by the applicants that the statements contained in, or made in connection with, the application are true and that the undertakings of the parties upon which this transaction is authorized will be carried out in good faith.

The actual consummation of voluntary transactions shall be completed within 60 days from the date hereof, and notice in letter form thereof shall promptly be furnished the Commission by the buyer showing the date the acts necessary to effect the transaction were completed. Upon furnishing the Commission with such written notice, this transaction will be considered completed for all purposes related to the above described station(s). FCC Form 323, Ownership Report, must be filed within 30 days after consummation, by the licensee/permittee or assignee.

**ADDITIONAL REQUIREMENTS FOR ASSIGNMENTS ONLY:**

Upon consummation the assignor must deliver the permit/license, including any modifications thereof to the assignee.

It is hereby directed that, upon consummation, a copy of this consent be posted with the station authorization(s) as required by the Commission's Rules and Regulations.

The assignee is not authorized to construct nor operate said station(s) unless and until notification of consummation in letter form has been forwarded to the Commission.

Dated:

DEC 12 1994

(FOR CHIEF AM BRANCH, AUDIO SERVICES DIVISION, MASS MEDIA BUREAU)



FEDERAL  
COMMUNICATIONS  
COMMISSION

FCC Form 732-AM

August 1992

SENT BY MAIL 11-17-94 4:21 PM ANDREWS & NORRIS 10000312003-10 6

KIOX

FILED  
In the Office of the  
Secretary of State of Texas  
NOV 18 1994  
Corporations Section

**ARTICLES OF INCORPORATION  
of  
LANDRUM ENTERPRISES, INC.**

The undersigned, a natural person eighteen (18) years of age or more, acting as incorporator of a corporation under the Texas Business Corporation Act, does hereby adopt the following Articles of Incorporation for such corporation:

**ARTICLE ONE**

The name of the corporation is Landrum Enterprises, Inc.

**ARTICLE TWO**

The period of the corporation's duration is perpetual.

**ARTICLE THREE**

The purpose for which the corporation is organized is to engage in any lawful business for which corporations may be organized under the laws of the State of Texas.

**ARTICLE FOUR**

The aggregate number of shares of stock which the corporation shall have authority to issue is one hundred thousand (100,000) shares of common stock of the par value of \$0.01 each.

**ARTICLE FIVE**

The corporation will not commence business until it has received for the issuance of its shares consideration of the value of One Thousand Dollars (\$1,000.00), consisting of money, labor done or property actually received.



## ARTICLE SIX

No shareholder shall be entitled as a matter of right to subscribe for, purchase, or receive additional unissued or treasury shares of any class of the corporation, whether now or later authorized, or any bonds, debentures, warrants, options or other securities convertible into or entitling the holder to purchase shares. Such additional shares, bonds, debentures, warrants, options or other securities convertible into or entitling the holder to purchase shares may be issued or disposed of as the Board of Directors in its absolute discretion deems advisable.

## ARTICLE SEVEN

At each election for directors of the corporation, each shareholder entitled to vote at such election shall have the right to vote, in person or by proxy, only the number of shares owned by him for as many persons as there are directors to be elected, and no shareholder shall ever have the right or be permitted to cumulate his votes on any basis, any and all rights of cumulative voting being hereby expressly denied.

## ARTICLE EIGHT

The address of the initial registered office of the corporation is 3900 Essex Lane, Suite 1100, Houston, Texas 77027 and the name of its initial registered agent at such address is Jake Landrum.

## ARTICLE NINE

The number of directors constituting the initial Board of Directors is one, and the name and address of the person who is to serve as director until the first annual meeting of the shareholders or until his successor is elected and qualified is:

NAME	ADDRESS
Jake Landrum	3900 Essex Lane, Suite 1100 Houston, Texas 77027

## ARTICLE TEN

A director of the corporation shall not be personally liable to the corporation or its shareholders for monetary damages for any act or omission in his capacity as a director, except to the extent otherwise expressly provided by a statute of the State of Texas. Any repeal or modification of this Article shall be prospective only, and shall not adversely affect any limitation of the personal liability of a director of the corporation existing at the time of the repeal or modification.

## ARTICLE ELEVEN

Any action required by the Texas Business Corporation Act to be taken at any annual or special meeting of shareholders, or any action which may be taken at any annual or special meeting of shareholders, may be taken without a meeting, without prior notice, and without a vote, if a consent or consents in writing, setting forth the action so taken shall be signed by the holder or holders of shares having not less than the minimum number of votes that would be necessary to take such action at a meeting at which the holders of all shares entitled to vote on the action were present and voted.

## ARTICLE TWELVE

The name and address of the incorporator is:

NAME

ADDRESS

Sarah Ray

4200 Texas Commerce Tower  
Houston, Texas 77002

IN WITNESS WHEREOF, the undersigned incorporator has hereunto set her hand this  
17th day of November, 1994.

  
\_\_\_\_\_  
Sarah Ray

## PROMISSORY NOTE

\$630,000.00

December 22, 1994

FOR VALUE RECEIVED, the undersigned, LANDRUM ENTERPRISES, INC. ("Maker"), promises to pay to the order of NORTH STAR COMMUNICATIONS, INC. ("Payee"), at its address, 3900 Essex Lane, Suite 1100, Houston, Texas 77027, the principal sum of Six Hundred Thirty Thousand and No/100 Dollars (\$630,000.00). The principal amount of this Note shall be due and payable upon demand of Payee; provided that if no demand is made then the principal amount of this Note shall be due and payable on December 22, 1995.

No security taken for the payment of this Note shall affect the liability of any person liable for payment of this Note. Payee may require payment by Maker and any surety, endorser, or guarantor hereof without first resorting to any security for this Note, and no judgment taken against any such party shall terminate any lien, security interest or other interest of Payee in said security.

All past due principal on this Note shall bear interest from maturity of such principal until paid at the maximum legal nonusurious rate of interest (the "Maximum Rate") permitted by the applicable laws of the State of Texas or the United States of America, whichever shall permit the higher lawful rate, and as to which Maker could not successfully assert a claim or defense of usury, and to the extent that the Maximum Rate is determined by reference to the laws of the State of Texas, the Maximum Rate shall be determined by reference to the indicated rate ceiling (as defined and described in Texas Revised Civil Statutes, Article 5069-1.04, as amended) at the applicable time in effect. If an Event of Default occurs and this Note is placed in the hands of an attorney for collection, or is collected through probate, bankruptcy or other proceedings, Maker promises to pay all costs and reasonable attorneys' fees incurred by Payee as a result thereof. In the event of any repossession of any collateral, Maker agrees to pay the reasonable costs actually expended by Payee for repossessing, preparing for sale, and/or selling any such collateral. Additionally, Maker promises to pay to Payee all lawful fees paid by Payee to any public office for filing, recording and/or releasing any instrument securing the indebtedness evidenced by this Note.

It is the intention of Maker and Payee to conform strictly to all applicable usury laws. It is therefore agreed that (i) the aggregate of all interest and other charges constituting interest under applicable law and contracted for, chargeable or receivable under this Note or otherwise in connection with the transaction for which this Note is given shall never exceed the maximum amount of interest, nor produce a rate in excess of the Maximum Rate, and (ii) if any excess interest is provided for, it shall be deemed a mistake and the same shall either be refunded to Maker or credited on the unpaid principal amount hereof and this Note shall be automatically deemed reformed so as to permit only the collection of the Maximum Rate and amount of interest. All sums paid or agreed to be paid to the holder of this Note for the use, forbearance or detention of the indebtedness evidenced hereby to the full extent allowed by applicable law, shall be amortized, prorated, allocated and spread through the full term of this Note.

Maker and every surety, endorser and guarantor of this Note waive grace, notice, demand, presentment for payment, notice of nonpayment, protest, notice of protest, notice of intention to accelerate, notice of acceleration of the indebtedness due hereunder and all other notice, filing of

suit and diligence in collecting this Note, and the enforcing of any of the security rights of Payee, and consent and agree that the time of payment hereof may be extended without notice at any time and from time to time, and for periods of time whether or not for a term or terms in excess of the original term hereof, without notice or consideration to, or consent from, any of them.

This Note may be prepaid, in whole or in part, at any time without penalty.

This Note is made and issued to Payee pursuant to that certain Agreement of Purchase and Sale of Assets dated as of December 22, 1994 between Maker as Buyer and Payee as Seller thereunder, providing for the purchase by Maker of the Assets of Payee related to radio broadcast stations KIOX-FM in El Campo, Texas and KIOX-AM in Bay City, Texas. This Note represents consideration to Payee for such assets.

This Note is secured by (a) a Pledge Agreement dated as of even date herewith between J. H. Landrum and Payee, and (b) a Pledge Agreement dated as of even date herewith between H. Kirby Atwood and Payee.

The terms and provisions hereof shall be binding upon and inure to the benefit of Maker and Payee and their respective successors and assigns.

EXECUTED EFFECTIVE the day and year first written above.

LANDRUM ENTERPRISES, INC.

By: 

J. H. Landrum  
President

## **PLEDGE AGREEMENT**

PLEDGE AGREEMENT (this "Pledge Agreement") dated as of December 22, 1994 by and between J. H. LANDRUM as pledgor (the "Pledgor"), and NORTH STAR COMMUNICATIONS, INC., a Texas corporation, as pledgee (the "Pledgee").

WHEREAS, pursuant to an Agreement of Purchase and Sale of Assets between Landrum Enterprises, Inc., a Texas corporation ("Landrum Enterprises"), as Buyer and Pledgee as Seller (the "Purchase Agreement"), Landrum Enterprises has executed a Promissory Note dated the date hereof in the principal amount of \$630,000 in favor of Pledgee;

WHEREAS, Pledgor owns 59% of the outstanding Common Shares (as hereinafter defined) of Landrum Enterprises;

WHEREAS, to secure Landrum Enterprises' obligations under the Promissory Note and as a material inducement to Pledgee to enter into the Purchase Agreement, the Pledgor has agreed to grant to the Pledgee a security interest in the Pledged Securities and the other Collateral (each as hereinafter defined);

NOW, THEREFORE, in consideration of the foregoing premises, the mutual covenants and agreements hereinafter set forth and for other good and valuable consideration, the adequacy and receipt of which are hereby acknowledged, the parties hereto agree as follows:

1. **Pledge of the Pledged Securities and Collateral.**

(a) As security for (i) the payment of all amounts payable to Pledgee pursuant to the Promissory Note and (ii) the performance of all other obligations of the Pledgor under the Promissory Note and the Purchase Agreement (such payment and performance obligations being hereinafter collectively referred to as the "Obligations"), Pledgor hereby pledges, hypothecates and delivers to Pledgee and its successors and assigns, and grants to Pledgee and its successors and assigns a security interest in, (w) the 590 Common Shares owned by Pledgor on the Effective Date hereof and any additional Common Shares acquired by Pledgee during the term of this Agreement (the "Pledged Securities"), and the certificates evidencing the Pledged Securities, (x) subject to Section 5 below, all cash dividends, securities, instruments and other property from time to time received, receivable or otherwise distributed in respect of or in exchange for any of the Pledged Securities, (y) subject to Section 4 below, all other rights and privileges of Pledgor with respect to the Pledged Securities and the property referred to in the preceding clause (x), and (z) all proceeds of any of the foregoing. The items referred to in clauses (w) through (z) of the preceding sentence are hereinafter referred to as the "Collateral". As used herein, "Common Shares" shall mean the shares of common stock, \$.01 par value per share, of Landrum Enterprises.

(b) On the date of this Agreement (the "Effective Date"), Pledgor shall deliver to Pledgee certificates representing the Pledged Securities, accompanied by stock powers duly executed in blank or other proper instruments of transfer duly executed by Pledgor. From and after the Effective Date, Pledgor shall deliver to Pledgee (i) any other securities thereafter included in the

Collateral accompanied by stock powers duly executed by Pledgor in blank or other proper instruments of transfer and (ii) subject to Sections 4 and 5 hereof, all other property included in the Collateral accompanied by proper instruments of assignment duly executed by Pledgor.

2. Representations, Warranties and Covenants. Pledgor hereby represents and warrants to, and covenants with, Pledgee that:

(a) except for the security interest granted to Pledgee hereunder and any sale of Collateral as contemplated hereby after default, Pledgor (i) is and will at all times continue to be the sole beneficial owner of the Collateral, (ii) holds the Collateral free and clear of all liens, charges, encumbrances and security interests and (iii) will make no sale, assignment, pledge, hypothecation or transfer of, or create any security interest in, or grant any purchase option with respect to, any of the Collateral;

(b) Pledgor has good, right and legal authority to pledge the Collateral in the manner contemplated by this Pledge Agreement and Pledgor will defend the Collateral against all claims and demands of all persons at any time claiming the same or any interest therein;

(c) as long as this Pledge Agreement remains in effect, the Pledgor will not enter into or execute any security agreement or any financing statement covering the Collateral in favor of any person or entity other than the Pledgee; and

(d) this Pledge Agreement is effective to confer upon Pledgee a valid first priority security interest in the Pledged Securities, securing the payment and performance of the Obligations, and, when the Pledged Securities shall have been delivered to Pledgee pursuant hereto, all action required to perfect such security interest shall have been taken.

3. Certificates. The certificates evidencing the Pledged Securities and any other securities from time to time included in the Collateral shall be held in the name of Pledgor, endorsed or assigned in blank or in favor of Pledgee. Upon the occurrence of an Event of Default (as defined in the Promissory Note), the certificates evidencing the Pledged Securities and any other securities from time to time included in the Collateral may be held (in the discretion of Pledgee) in the name of Pledgor, endorsed or assigned in blank or in favor of Pledgee or in the name of Pledgee or any nominee of Pledgee.

4. Voting Rights.

(a) So long as no Event of Default shall have occurred and be continuing, Pledgor shall be entitled to exercise any and all voting and/or other consensual rights and powers accruing to Pledgor as owner of any Common Shares included in the Collateral for any purpose not inconsistent with the terms of this Pledge Agreement.

(b) Upon the occurrence and during the continuance of an Event of Default, all rights of Pledgor to exercise the voting and consensual rights and powers which Pledgor is entitled to exercise pursuant to paragraph (a) of this Section 4 shall cease, and all such rights shall thereupon become vested in Pledgee, which shall have the sole and exclusive right and authority to exercise such rights and powers until such Event of Default shall cease to exist or shall be waived in writing by Pledgee.

**5. Dividends and Distributions.**

(a) So long as no Event of Default shall have occurred and be continuing, Pledgor shall be entitled to receive and retain, free and clear of the security interest created hereby, any and all cash dividends paid on any Common Shares included in the Collateral.

(b) Upon the occurrence and during the continuance of an Event of Default, all rights of Pledgor to receive and retain such cash dividends shall cease, and all such rights shall thereupon become vested in Pledgee until such Event of Default shall cease to exist or shall be waived in writing by Pledgee.

**6. Remedies upon Default.**

(a) If an Event of Default shall have occurred and be continuing, Pledgee shall be entitled to exercise all of the rights, powers and remedies (whether vested by this Pledge Agreement, the Promissory Note or by law) for the protection and enforcement of its rights in respect of the Collateral, and Pledgee shall be entitled, without limitation, to exercise the following rights, which Pledgor hereby agrees to be commercially reasonable: (i) to receive all amounts payable in respect of the Collateral, including amounts otherwise payable under Section 5 to Pledgor; (ii) to transfer all or any part of the Collateral into Pledgee's name or the name of its nominee or nominees; (iii) to vote all or any part of the Pledged Securities (whether or not transferred into the name of the Pledgee) and give all consents, waivers and ratifications in respect of the Collateral and otherwise act with respect thereto as though it were the outright owner thereof (Pledgor hereby irrevocably constituting and appointing Pledgee the proxy and attorney-in-fact of Pledgor, with full power of substitution to do so); and (iv) subject to compliance with federal and state securities or blue sky laws, as applicable, sell the Collateral, or any part thereof, at public or private sale for cash, upon credit or for future delivery, as Pledgee shall deem appropriate. Pledgee shall be authorized at any such sale (if Pledgee deems it advisable to do so) to restrict the prospective bidders or purchasers to persons who will represent and agree that they are purchasing the Collateral for their own account for investment and not with a view to the distribution or sale thereof. Upon consummation of any such sale, Pledgee shall have the right to assign, transfer and deliver to the purchaser or purchasers thereof the Collateral so sold. Each such purchaser at any such sale shall hold the Collateral so sold free from any claim or right on the part of Pledgor. To the extent that notification of sale may be required to be given by applicable law, Pledgee shall give Pledgor ten days' written notification (which Pledgor agrees is reasonable notification within the meaning of Section 9-504 of the Uniform Commercial Code as in effect in the State of Texas) of Pledgee's intention to sell any Collateral. Such notification, in the case of a public sale, shall state the time and place for such sale. At any such sale, the Collateral, or portion thereof, to be sold may be sold in one lot as an entirety or in separate parcels, as Pledgee may (in its sole discretion) determine. Pledgee shall not be obligated to make any sale of any Collateral if it shall determine not to do so, regardless of the fact that notification of sale of such Collateral may have been given. Pledgee may, without notification or publication, adjourn any public or private sale by announcement at the time and place fixed for sale, and such sale may, without further notification, be made at the time and place to which the same was so adjourned. In case any sale of all or any part of the Collateral is made on credit or for future delivery, the Collateral so sold may be retained by Pledgee until the sale price is paid by the purchaser thereof, but Pledgee shall not incur any liability in case any such purchaser shall fail to take up and pay for the Collateral so sold and, in case of any such failure, such Collateral may be sold again upon like notification. At any public sale made pursuant to this Pledge Agreement, Pledgee may bid for or purchase, free (to the extent permitted by law) from any right of redemption, stay or appraisal, reclamation or turnover on the part of Pledgor, any Collateral offered for sale and

may make payment on account thereof by using the amount of Obligations outstanding then due and payable as a credit against the purchase price, and Pledgee may, upon compliance with the terms of sale, hold, retain and dispose of the Collateral sold without further accountability to Pledgor therefor except pursuant to Section 7 hereof.

(b) Pledgee may exercise any other rights and remedies of a secured party under the Uniform Commercial Code as in effect in the State of Texas.

(c) Notwithstanding any provision of this Agreement to the contrary, except as provided in Section 9 hereof, Pledgor's liability hereunder to Pledgee for failure to satisfy his obligations hereunder and under the Promissory Note shall be limited to the remedies set forth in this Section 6, and the Pledgee agrees that it shall not have, nor shall it attempt to enforce, any other rights or remedies against the Pledgor under this Agreement or under the Promissory Note.

7. Application of Proceeds of Sale. The proceeds of any sale of Collateral pursuant to Section 6 hereof, as well as any Collateral consisting of cash, shall be applied by Pledgee as follows:

FIRST, to the payment in full of the unpaid Obligations; and

SECOND, to Pledgor, his heirs, successors or assigns, or as a court of competent jurisdiction may otherwise direct.

8. Pledgee Appointed Attorney-in-Fact. After the occurrence and during the continuation of an Event of Default, Pledgor hereby appoints Pledgee the attorney-in-fact of Pledgor for the purpose of carrying out the provisions of this Pledge Agreement and taking any action and executing any instrument which Pledgee may reasonably deem necessary to accomplish the purposes hereof, which appointment is irrevocable and coupled with an interest.

9. Performance by Pledgee. If Pledgor shall fail to do any act or thing which he has covenanted to do hereunder or any representation or warranty of Pledgor hereunder shall be breached, Pledgee may after 10 days written notice to Pledgor (but shall not be obligated to) do the act or thing which Pledgor failed to do or cause the same to be done or remedy any such breach and there shall be added to the Obligations the reasonable cost or expense incurred by Pledgee in so doing.

10. Further Assurances. Pledgor agrees to take all action and execute any documents, instruments or conveyances of any kind which may be reasonably necessary or advisable to carry out any of the transactions contemplated hereunder. Pledgor hereby consents and agrees that the issuers of the Pledged Securities or any registrar or transfer agent for any of the Pledged Securities shall be entitled to accept the provisions hereof as conclusive evidence of the right of Pledgee to effect any transfer pursuant to Section 6 hereof, notwithstanding any other notice or direction to the contrary given by Pledgor or any other person to any such issuer or to any such registrar or transfer agent.

11. Termination. This Pledge Agreement and the pledge hereunder shall terminate upon satisfaction in full of the Obligations. Upon termination of this Pledge Agreement, Pledgee shall promptly reassign and deliver to Pledgor such of the Collateral (if any) as shall not have been sold or otherwise applied by Pledgee pursuant to the terms hereof and shall still be held hereunder, accompanied by appropriate instruments of reassignment, release and termination. Any such reassignment shall be without recourse to or warranty by Pledgee.



12. Successors. This Pledge Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, and, in the case of the Pledgor, his heirs, beneficiaries and personal representatives. No other person shall have any right, benefit or obligation hereunder.

13. Notices; Transfer of Funds. Any notice, request, instruction or other document or communication to be given hereunder by any party to any other party shall be in writing and shall be deemed to have been given (a) if mailed in any general or branch office of the United States Postal Service, enclosed in a registered or certified postage-paid envelope, 2 business days following the date of mailing or, if earlier, when actually received by the party to which such notice has been directed (as evidenced by the return receipt) or (b) if sent by other means, when actually received by the party to which such notice has been directed, in each case at the following addresses or such other address or number as such party may have fixed by notice:

Pledgor: J. H. Landrum  
Route 3, Box 264E  
Wharton, Texas 77488

Pledgee: North Star Communications, Inc.  
Suite 1100  
3900 Essex Lane  
Houston, Texas 77027

14. GOVERNING LAW. THIS PLEDGE AGREEMENT SHALL BE CONSTRUED, INTERPRETED AND THE RIGHTS OF THE PARTIES DETERMINED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS (WITHOUT GIVING EFFECT TO THE CHOICE OF LAW PROVISIONS THEREOF).


15. Entire Agreement; Modifications and Waivers. This Pledge Agreement constitutes the entire agreement between the parties relating to the subject matter hereof and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, of the parties with respect thereto. No supplement, modification or waiver of this Pledge Agreement shall be binding unless executed in writing by the party to be bound thereby. No waiver of any of the provisions of this Pledge Agreement shall be deemed or shall constitute a waiver of any other provision hereof or thereof (whether or not similar), nor shall such waiver constitute a continuing waiver unless otherwise expressly provided. No delay by Pledgee in exercising its rights hereunder shall constitute a waiver thereof.

16. Counterparts. This Pledge Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

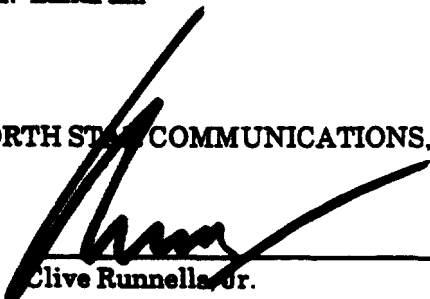
17. Invalidity. In the event that any one or more of the provisions contained in this Pledge Agreement shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, then to the extent permitted by law such invalidity, illegality or unenforceability shall not affect any other provision hereof or thereof.

18. Titles. The titles, captions and headings of the Sections herein are for convenience of reference only and are not intended to be a part of or to affect the meaning or interpretation of this Pledge Agreement.

IN WITNESS WHEREOF, each of the parties hereto has duly executed this Pledge Agreement as of the date first above written.

  
J. H. Landrum

NORTH STAR COMMUNICATIONS, INC.

By:   
Clive Runnella, Jr.  
President

## **PLEDGE AGREEMENT**

PLEDGE AGREEMENT (this "Pledge Agreement") dated as of December 22, 1994 by and between H. KIRBY ATWOOD as pledgor (the "Pledgor"), and NORTH STAR COMMUNICATIONS, INC., a Texas corporation, as pledgee (the "Pledgee").

WHEREAS, pursuant to an Agreement of Purchase and Sale of Assets between Landrum Enterprises, Inc., a Texas corporation ("Landrum Enterprises"), as Buyer and Pledgee as Seller (the "Purchase Agreement"), Landrum Enterprises has executed a Promissory Note dated the date hereof in the principal amount of \$630,000 in favor of Pledgee;

WHEREAS, Pledgor owns 41% of the outstanding Common Shares (as hereinafter defined) of Landrum Enterprises;

WHEREAS, to secure Landrum Enterprises' obligations under the Promissory Note and as a material inducement to Pledgee to enter into the Purchase Agreement, the Pledgor has agreed to grant to the Pledgee a security interest in the Pledged Securities and the other Collateral (each as hereinafter defined);

NOW, THEREFORE, in consideration of the foregoing premises, the mutual covenants and agreements hereinafter set forth and for other good and valuable consideration, the adequacy and receipt of which are hereby acknowledged, the parties hereto agree as follows:

1. **Pledge of the Pledged Securities and Collateral.**

(a) As security for (i) the payment of all amounts payable to Pledgee pursuant to the Promissory Note and (ii) the performance of all other obligations of the Pledgor under the Promissory Note and the Purchase Agreement (such payment and performance obligations being hereinafter collectively referred to as the "Obligations"), Pledgor hereby pledges, hypothecates and delivers to Pledgee and its successors and assigns, and grants to Pledgee and its successors and assigns a security interest in, (w) the 410 Common Shares owned by Pledgor on the Effective Date hereof and any additional Common Shares acquired by Pledgee during the term of this Agreement (the "Pledged Securities"), and the certificates evidencing the Pledged Securities, (x) subject to Section 5 below, all cash dividends, securities, instruments and other property from time to time received, receivable or otherwise distributed in respect of or in exchange for any of the Pledged Securities, (y) subject to Section 4 below, all other rights and privileges of Pledgor with respect to the Pledged Securities and the property referred to in the preceding clause (x), and (z) all proceeds of any of the foregoing. The items referred to in clauses (w) through (z) of the preceding sentence are hereinafter referred to as the "Collateral". As used herein, "Common Shares" shall mean the shares of common stock, \$.01 par value per share, of Landrum Enterprises.

(b) On the date of this Agreement (the "Effective Date"), Pledgor shall deliver to Pledgee certificates representing the Pledged Securities, accompanied by stock powers duly executed in blank or other proper instruments of transfer duly executed by Pledgor. From and after the Effective Date, Pledgor shall deliver to Pledgee (i) any other securities thereafter included in the

Collateral accompanied by stock powers duly executed by Pledgor in blank or other proper instruments of transfer and (ii) subject to Sections 4 and 5 hereof, all other property included in the Collateral accompanied by proper instruments of assignment duly executed by Pledgor.

2. Representations, Warranties and Covenants. Pledgor hereby represents and warrants to, and covenants with, Pledgee that:

(a) except for the security interest granted to Pledgee hereunder and any sale of Collateral as contemplated hereby after default, Pledgor (i) is and will at all times continue to be the sole beneficial owner of the Collateral, (ii) holds the Collateral free and clear of all liens, charges, encumbrances and security interests and (iii) will make no sale, assignment, pledge, hypothecation or transfer of, or create any security interest in, or grant any purchase option with respect to, any of the Collateral;

(b) Pledgor has good, right and legal authority to pledge the Collateral in the manner contemplated by this Pledge Agreement and Pledgor will defend the Collateral against all claims and demands of all persons at any time claiming the same or any interest therein;

(c) as long as this Pledge Agreement remains in effect, the Pledgor will not enter into or execute any security agreement or any financing statement covering the Collateral in favor of any person or entity other than the Pledgee; and

(d) this Pledge Agreement is effective to confer upon Pledgee a valid first priority security interest in the Pledged Securities, securing the payment and performance of the Obligations, and, when the Pledged Securities shall have been delivered to Pledgee pursuant hereto, all action required to perfect such security interest shall have been taken.

3. Certificates. The certificates evidencing the Pledged Securities and any other securities from time to time included in the Collateral shall be held in the name of Pledgor, endorsed or assigned in blank or in favor of Pledgee. Upon the occurrence of an Event of Default (as defined in the Promissory Note), the certificates evidencing the Pledged Securities and any other securities from time to time included in the Collateral may be held (in the discretion of Pledgee) in the name of Pledgor, endorsed or assigned in blank or in favor of Pledgee or in the name of Pledgee or any nominee of Pledgee.

4. Voting Rights.

(a) So long as no Event of Default shall have occurred and be continuing, Pledgor shall be entitled to exercise any and all voting and/or other consensual rights and powers accruing to Pledgor as owner of any Common Shares included in the Collateral for any purpose not inconsistent with the terms of this Pledge Agreement.

(b) Upon the occurrence and during the continuance of an Event of Default, all rights of Pledgor to exercise the voting and consensual rights and powers which Pledgor is entitled to exercise pursuant to paragraph (a) of this Section 4 shall cease, and all such rights shall thereupon become vested in Pledgee, which shall have the sole and exclusive right and authority to exercise such rights and powers until such Event of Default shall cease to exist or shall be waived in writing by Pledgee.

**5. Dividends and Distributions.**

(a) So long as no Event of Default shall have occurred and be continuing, Pledgor shall be entitled to receive and retain, free and clear of the security interest created hereby, any and all cash dividends paid on any Common Shares included in the Collateral.

(b) Upon the occurrence and during the continuance of an Event of Default, all rights of Pledgor to receive and retain such cash dividends shall cease, and all such rights shall thereupon become vested in Pledgee until such Event of Default shall cease to exist or shall be waived in writing by Pledgee.

**6. Remedies upon Default.**

(a) If an Event of Default shall have occurred and be continuing, Pledgee shall be entitled to exercise all of the rights, powers and remedies (whether vested by this Pledge Agreement, the Promissory Note or by law) for the protection and enforcement of its rights in respect of the Collateral, and Pledgee shall be entitled, without limitation, to exercise the following rights, which Pledgor hereby agrees to be commercially reasonable: (i) to receive all amounts payable in respect of the Collateral, including amounts otherwise payable under Section 5 to Pledgor; (ii) to transfer all or any part of the Collateral into Pledgee's name or the name of its nominee or nominees; (iii) to vote all or any part of the Pledged Securities (whether or not transferred into the name of the Pledgee) and give all consents, waivers and ratifications in respect of the Collateral and otherwise act with respect thereto as though it were the outright owner thereof (Pledgor hereby irrevocably constituting and appointing Pledgee the proxy and attorney-in-fact of Pledgor, with full power of substitution to do so); and (iv) subject to compliance with federal and state securities or blue sky laws, as applicable, sell the Collateral, or any part thereof, at public or private sale for cash, upon credit or for future delivery, as Pledgee shall deem appropriate. Pledgee shall be authorized at any such sale (if Pledgee deems it advisable to do so) to restrict the prospective bidders or purchasers to persons who will represent and agree that they are purchasing the Collateral for their own account for investment and not with a view to the distribution or sale thereof. Upon consummation of any such sale, Pledgee shall have the right to assign, transfer and deliver to the purchaser or purchasers thereof the Collateral so sold. Each such purchaser at any such sale shall hold the Collateral so sold free from any claim or right on the part of Pledgor. To the extent that notification of sale may be required to be given by applicable law, Pledgee shall give Pledgor ten days' written notification (which Pledgor agrees is reasonable notification within the meaning of Section 9-504 of the Uniform Commercial Code as in effect in the State of Texas) of Pledgee's intention to sell any Collateral. Such notification, in the case of a public sale, shall state the time and place for such sale. At any such sale, the Collateral, or portion thereof, to be sold may be sold in one lot as an entirety or in separate parcels, as Pledgee may (in its sole discretion) determine. Pledgee shall not be obligated to make any sale of any Collateral if it shall determine not to do so, regardless of the fact that notification of sale of such Collateral may have been given. Pledgee may, without notification or publication, adjourn any public or private sale by announcement at the time and place fixed for sale, and such sale may, without further notification, be made at the time and place to which the same was so adjourned. In case any sale of all or any part of the Collateral is made on credit or for future delivery, the Collateral so sold may be retained by Pledgee until the sale price is paid by the purchaser thereof, but Pledgee shall not incur any liability in case any such purchaser shall fail to take up and pay for the Collateral so sold and, in case of any such failure, such Collateral may be sold again upon like notification. At any public sale made pursuant to this Pledge Agreement, Pledgee may bid for or purchase, free (to the extent permitted by law) from any right of redemption, stay or appraisal, reclamation or turnover on the part of Pledgor, any Collateral offered for sale and

may make payment on account thereof by using the amount of Obligations outstanding then due and payable as a credit against the purchase price, and Pledgee may, upon compliance with the terms of sale, hold, retain and dispose of the Collateral sold without further accountability to Pledgor therefor except pursuant to Section 7 hereof.

(b) Pledgee may exercise any other rights and remedies of a secured party under the Uniform Commercial Code as in effect in the State of Texas.

(c) Notwithstanding any provision of this Agreement to the contrary, except as provided in Section 9 hereof, Pledgor's liability hereunder to Pledgee for failure to satisfy his obligations hereunder and under the Promissory Note shall be limited to the remedies set forth in this Section 6, and the Pledgee agrees that it shall not have, nor shall it attempt to enforce, any other rights or remedies against the Pledgor under this Agreement or under the Promissory Note.

7. Application of Proceeds of Sale. The proceeds of any sale of Collateral pursuant to Section 6 hereof, as well as any Collateral consisting of cash, shall be applied by Pledgee as follows:

FIRST, to the payment in full of the unpaid Obligations; and

SECOND, to Pledgor, his heirs, successors or assigns, or as a court of competent jurisdiction may otherwise direct.

8. Pledgee Appointed Attorney-in-Fact. After the occurrence and during the continuation of an Event of Default, Pledgor hereby appoints Pledgee the attorney-in-fact of Pledgor for the purpose of carrying out the provisions of this Pledge Agreement and taking any action and executing any instrument which Pledgee may reasonably deem necessary to accomplish the purposes hereof, which appointment is irrevocable and coupled with an interest.

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10. Further Assurances. Pledgor agrees to take all action and execute any documents, instruments or conveyances of any kind which may be reasonably necessary or advisable to carry out any of the transactions contemplated hereunder. Pledgor hereby consents and agrees that the issuers of the Pledged Securities or any registrar or transfer agent for any of the Pledged Securities shall be entitled to accept the provisions hereof as conclusive evidence of the right of Pledgee to effect any transfer pursuant to Section 6 hereof, notwithstanding any other notice or direction to the contrary given by Pledgor or any other person to any such issuer or to any such registrar or transfer agent.

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13. Notices; Transfer of Funds. Any notice, request, instruction or other document or communication to be given hereunder by any party to any other party shall be in writing and shall be deemed to have been given (a) if mailed in any general or branch office of the United States Postal Service, enclosed in a registered or certified postage-paid envelope, 2 business days following the date of mailing or, if earlier, when actually received by the party to which such notice has been directed (as evidenced by the return receipt) or (b) if sent by other means, when actually received by the party to which such notice has been directed, in each case at the following addresses or such other address or number as such party may have fixed by notice:

Pledgor:                    H. Kirby Atwood  
                              3111 Las Palmas  
                              Houston, Texas 77027

Pledgee:                   North Star Communications, Inc.  
                              Suite 1100  
                              3900 Essex Lane  
                              Houston, Texas 77027

14. GOVERNING LAW. THIS PLEDGE AGREEMENT SHALL BE CONSTRUED, INTERPRETED AND THE RIGHTS OF THE PARTIES DETERMINED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS (WITHOUT GIVING EFFECT TO THE CHOICE OF LAW PROVISIONS THEREOF).

15. Entire Agreement; Modifications and Waivers. This Pledge Agreement constitutes the entire agreement between the parties relating to the subject matter hereof and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, of the parties with respect thereto. No supplement, modification or waiver of this Pledge Agreement shall be binding unless executed in writing by the party to be bound thereby. No waiver of any of the provisions of this Pledge Agreement shall be deemed or shall constitute a waiver of any other provision hereof or thereof (whether or not similar), nor shall such waiver constitute a continuing waiver unless otherwise expressly provided. No delay by Pledgee in exercising its rights hereunder shall constitute a waiver thereof.

16. Counterparts. This Pledge Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

17. Invalidity. In the event that any one or more of the provisions contained in this Pledge Agreement shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, then to the extent permitted by law such invalidity, illegality or unenforceability shall not affect any other provision hereof or thereof.

18. Titles. The titles, captions and headings of the Sections herein are for convenience of reference only and are not intended to be a part of or to affect the meaning or interpretation of this Pledge Agreement.

IN WITNESS WHEREOF, each of the parties hereto has duly executed this Pledge Agreement as of the date first above written.

  
\_\_\_\_\_  
H. Kirby Atwood

NORTH STAR COMMUNICATIONS, INC.

By:   
\_\_\_\_\_  
Clive Runnells, Jr.  
President



**BYLAWS**  
**OF**  
**LANDRUM ENTERPRISES, INC.**

**Dated: November 18, 1994**